



STEVEN L. BESHEAR
GOVERNOR

EXECUTIVE ORDER

RECEIVED AND FILED
DATE July 3, 2008
4:32 p.m.
TREY GRAYSON
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY P. Kinsolving

2008 - 668

July 3, 2008

Secretary of State
Frankfort
Kentucky

**RELATING TO ESTABLISHMENT OF THE
KENTUCKY HORSE RACING COMMISSION AND
ABOLITION OF THE KENTUCKY HORSE RACING AUTHORITY**

WHEREAS, it is the responsibility of state government to provide the citizens of this Commonwealth with an economical and efficient governmental structure, as well as regulatory practices which are administered in a consistent, ethical and coordinated manner; and

WHEREAS, as the Horse Capital of the world, Kentucky is charged with providing leadership in all issues relating to horse racing, including the integrity, health and safety of the sport.

WHEREAS, the Kentucky horse breeding and racing industry is facing an unprecedented set of challenges concerning the safety of jockeys and horses, as well as the impact of gaming upon the industry, all of which has the potential to undercut Kentucky's position as the nation's leading horse state, and the Horse Capital of the World; and

WHEREAS, while many leaders in the industry have been working for more than a decade to create safer racing surfaces and resolve controversial issues concerning medication and breeding practices, there is no question that much more must be done in order to achieve real and long-term meaningful success; and

WHEREAS, the public scrutiny of the safety and integrity of racing has been magnified by current events including the loss of Eight Belles and Barbaro, medication violations, a growing outcry against the use of various drugs, and congressional inquiries into the state of racing; and

WHEREAS, there is a need to act quickly and appropriately on health and safety issues relating to horse racing such as drug usage, shoes, and riding crops; and

WHEREAS, if Kentucky does not act quickly and appropriately to improve the current state of horse racing, the ability of the Commonwealth to govern its vital industry could be diminished and additional and costly regulatory layers could be added to an already burdened industry; and

WHEREAS, steps should be taken to enhance the integrity, experience and sound judgment of Kentucky's horse industry, to insure the safety of jockeys, drivers and horses



STEVEN L. BESHEAR
GOVERNOR

EXECUTIVE ORDER

2008 - 668

July 3, 2008

Secretary of State
Frankfort
Kentucky

and preserve Kentucky's horse farms, as well as strengthening ties between Kentucky's horse industry and the state's Universities; and

WHEREAS, it has been determined that the Kentucky Horse Racing Authority, as established by the provisions of Chapter 230 of the Kentucky Revised Statutes, should be abolished, recreated and restructured with new governing membership and a more focused vision to promote safety in Kentucky's signature horse industry, including its jockeys, drivers and horses, all of which can occur within a framework and environment of governmental efficiency, economy and improved administration:

NOW, THEREFORE, I Steven L. Beshear, Governor of the Commonwealth of Kentucky, by virtue of the authority vested in me by the Kentucky Constitution and KRS 12.028, do hereby order and direct the following:

- I.** The Kentucky Horse Racing Commission (hereinafter "Commission") is hereby created and established as an independent agency of state government charged with the responsibility of regulating the conduct of horse racing and pari-mutual wagering on horse racing and related activities within the Commonwealth of Kentucky. The Commission shall be attached to the Environmental and Public Protection Cabinet for administrative purposes.
- II.** The Commission shall consist of fifteen (15) members appointed by the Governor, with the Secretary of the Tourism, Arts & Heritage Cabinet, the Secretary of the Public Protection Cabinet and Secretary of the Economic Development Cabinet serving as ex officio nonvoting members. Two (2) members shall have no financial interest in the business or industry regulated. The members of the Commission shall be appointed to serve for a term of three (3) years, except that of the members first appointed five (5) shall serve for a term of three (3) years, five (5) shall serve for a term of two (2) years, five (5) shall serve for a term of one (1) year. Any member appointed to fill a vacancy occurring otherwise than by expiration



STEVEN L. BESHEAR
GOVERNOR

EXECUTIVE ORDER

2008 - 668

July 3, 2008

Secretary of State
Frankfort
Kentucky

of a term shall be appointed for the remainder of the un-expired term. Members of the Commission shall receive One Hundred Dollars (\$100) per day for each meeting attended and shall be reimbursed for all expenses paid or incurred in the discharge of official business.

III. The Governor shall appoint one (1) member of the Commission to serve as its chairperson who shall serve at the pleasure of the Governor. The Governor shall further designate a second member to serve as vice-chair with authority to act in the absence of the chair. A majority of the voting members of the Commission shall constitute a quorum for the transaction of business.

IV. Except as otherwise provided, the Commission shall be responsible for the following:

- a) Developing and implementing programs designed to ensure the safety and well being of jockeys, drivers and horses;
- b) Developing programs and procedures which will aggressively fulfill its oversight and regulatory role on such matters as race day medications and other medication issues;
- c) Recommending tax incentives and other incentive options to ensure the strength and growth of the equine industry;
- d) Designing and implementing programs that strengthen the ties between Kentucky's horse industry and the state's Universities with the goal of significantly increasing the economic impact of the horse industry to Kentucky's economy, improving research for the purpose of improving the overall health and welfare of the horse and other related industry issues; and
- e) Developing and supporting programs which ensure that Kentucky remains on the cutting edge of equine research.



STEVEN L. BESHEAR
GOVERNOR

EXECUTIVE ORDER

2008 - 668

July 3, 2008

Secretary of State
Frankfort
Kentucky

- V. Except as otherwise provided, the Commission shall have exclusive control and direction over all duties, functions, and responsibilities previously exercised by the Kentucky Horse Racing Authority. All authority, functions and responsibilities vested in the Kentucky Horse Racing Authority are hereby transferred to the Commission, which shall utilize that authority, function and responsibility to carry out the functions of the Commission. The Kentucky Horse Racing Authority is hereby abolished. All duties, functions, responsibilities, records, equipment, staff and supporting budgets of the Kentucky Horse Racing Authority and all functions, rights, powers, duties, and obligations as set forth in the following statutes and other relevant provisions of law are hereby transferred to the Kentucky Horse Racing Commission:
- KRS 230.070, 230.080, 230.090, 230.110, 230.210, 230.215, 230.218, 230.225, 230.230, 230.240, 230.250, 230.260, 230.265, 230.270, 230.280, 230.290, 230.300, 230.310, 230.320, 230.330, 230.340, 230.350, 230.352, 230.357, 230.360, 230.361, 230.3615, 230.362, 230.363, 230.364, 230.365, 230.366, 230.367, 230.368, 230.369, 230.370, 230.371, 230.372, 230.373, 230.374, 230.375, 230.3751, 230.376, 230.377, 230.3771, 230.3773, 230.378, 230.379, 230.380, 230.398, 230.400, 230.443, 230.550, 230.555, 230.750, 230.760, 230.770, 230.775, 230.777, 230.779, 230.781, 230.783, 230.785, 230.800, 230.802, 230.804, and 230.990. The terms of the members currently serving on the Kentucky Horse Racing Commission shall expire immediately upon the filing of this Order.
- VI. To carry out the functions relating to its duties and responsibilities, the Governor shall appoint an executive director who shall serve at the pleasure of the Governor. The Governor shall set the qualifications and salary for the position of executive director under the provisions of KRS 64.640.



STEVEN L. BESHEAR
GOVERNOR

EXECUTIVE ORDER

2008 - 668

July 3, 2008

Secretary of State
Frankfort
Kentucky

- VII.** The executive director shall be responsible for the day-to-day operations of the Commission; set up appropriate organizational structures and personnel policies for approval by the Commission; appoint all staff; prepare annual reports on the Commission's program of work; carry out policy and program directives of the Commission; and perform all other duties and responsibilities assigned by state law.
- VII.** With approval of the Commission, the executive director may enter into agreements with any state agency or political subdivision of the state, any postsecondary education institution, or any other person or entity to enlist assistance to implement the duties and responsibilities of the Commission and assign the Commission's medical director to coordinate with the Equine Drug Research Council.
- IX.** All administrative regulations previously promulgated under the authority of the Kentucky Horse Racing Authority prior to the filing of this Order shall remain in full force and effect and shall be administered by the Commission until such time as those regulations are reviewed and/or re-promulgated by the Commission.
- X.** The Public Protection Cabinet, the Governor's Office of Policy and Management, the Personnel Cabinet, and the Finance and Administration Cabinet shall take all necessary action to effectuate the provisions of this Order.
- XI.** I hereby appoint the following to serve as members of the Commission:

Robert M. Beck, Jr.
1765 Eastwood Drive
Lexington, KY 40507
To serve for a term expiring July 1, 2011



STEVEN L. BESHEAR
GOVERNOR

EXECUTIVE ORDER

2008 - 668

July 3, 2008

Secretary of State
Frankfort
Kentucky

Tracy Farmer
4569 Midway Road
Midway, KY 40347
To serve for a term expiring July 1, 2011

Edward S. Bonnie
4701 S. Highway 1694
Prospect, KY 40059
To serve for a term expiring July 1, 2011

Francis Thomas Conway
1138 Rostrevor Circle
Louisville, KY 40205
To serve for a term expiring July 1, 2011

John Thomas Ward, Jr.
573 Clay Kiser Road
Paris, KY 40361
To serve for a term expiring July 1, 2011

Frank L. Jones, Jr.
4200 Schmitt Avenue
Louisville, KY 40213
To serve for a term expiring July 1, 2010

Burr James Travis II
151 West Maple Avenue
Ft. Mitchell, KY 41017
To serve for a term expiring July 1, 2010

Michael Anthony Pitino
3605 Oakvista Place
Louisville, KY 40245
To serve for a term expiring July 1, 2010

Jerry L. Yon
1725 Lakewood Lane
Lexington, KY 40502
To serve for a term expiring July 1, 2010

Thomas Bayley Gaines
265 S. Ashland Avenue
Lexington, KY 40502
To serve for a term expiring July 1, 2010



STEVEN L. BESHEAR
GOVERNOR

EXECUTIVE ORDER

2008 - 668

July 3, 2008

Secretary of State

Frankfort
Kentucky

Elizabeth (Betsy) Stone Lavin
1331 Stone Lane
Goshen, KY 40026
To serve for a term expiring July 1, 2009

Foster Harold Northrop
2301 Halls Hill Road
Crestwood, KY 40014
To serve for a term expiring July 1, 2009


Tom Ludt
4211 Spurr Road
Lexington, KY 40511
To serve for a term expiring July 1, 2009

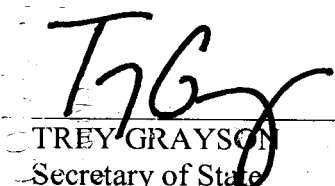
Alan J. Leavitt
3719 Newtown Pike
Lexington, KY 40511
To serve for a term expiring July 1, 2009

Wade Houston
7506 Chestnut Hill Drive
Prospect, KY 40059
To serve for a term expiring July 1, 2009

I hereby appoint Robert M. Beck Jr. and Tracy Farmer to serve, at the pleasure of the Governor, as Chair and Vice-Chair of the Commission, respectively. I further hereby appoint Lisa Underwood, 4063 Iron Works Pike, Bld. B, Lexington, Kentucky 40511, to serve at the pleasure of the Governor, as Executive Director of the Commission.

Please issue a Commission to them.


STEVEN L. BESHEAR, Governor
Commonwealth of Kentucky


TREY GRAYSON
Secretary of State

REORGANIZATION PLAN

This Executive Order abolishes the Kentucky Horse Racing Authority and establishes the Kentucky Horse Racing Commission. It increases its membership from thirteen (13) members to fifteen (15) members. The reorganization is for administrative purposes with no resulting personnel or fiscal impact. The reorganization will not result in any net increased expenditures to Kentucky state government.